

# MEDICAL DISPUTE RESOLUTION FINDINGS AND DECISION

## PART I: GENERAL INFORMATION

<b>Type of Requestor:</b> (X) HCP ( ) IE ( ) IC	<b>Response Timely Filed?</b> (X) Yes ( ) No
Requestor  HCA Spring Branch Medical Center c/o Hollaway & Gumbert 3701 Kirby Dr., Ste. 1288 Houston, TX 77098-3926	MDR Tracking No.: M4-03-8829-01
	TWCC No.:
	Injured Employee's Name:
Respondent  Liberty Mutual Insurance Co. Rep. Box # 28	Date of Injury:
	Employer's Name: Episcopal Diocese of Texas
	Insurance Carrier's No.: 949402960

## PART II: SUMMARY OF DISPUTE AND FINDINGS

Dates of Service		CPT Code(s) or Description	Amount in Dispute	Amount Due
From	To			
9-16-02	9-29-02	Inpatient Hospitalization	\$15,383.54	\$2872.58

## PART III: REQUESTOR'S POSITION SUMMARY

Per stop loss threshold as total charges exceed \$40,000.00. Calculation of stop-loss reimbursement is \$80,994.15 (total billed) X SLRF (75%) = \$60,270.44 total allowable.

## PART IV: RESPONDENT'S POSITION SUMMARY

Preauthorization was only requested and obtained for 3 days. The claimant remained in the facility for 13 days. The last 10 days were not authorized however Liberty Mutual elected to pay them...Upon conducting a line audit, it was determined that the charges for implants were inflated...The provider was paid at the stop loss criteria less non-covered items. Disallowed for non-related meds...which totaled \$188.08...lab \$556.00...venipuncture charges...\$157.50...a PPO discount was taken...Liberty Mutual does not believe that HCA Spring Branch Medical Center is due any further reimbursement.

## PART V: MEDICAL DISPUTE RESOLUTION REVIEW SUMMARY, METHODOLOGY, AND/OR EXPLANATION

This dispute relates to inpatient services provided in hospital setting with reimbursement subject to the provisions of Rule 134.401 (Acute Care Inpatient Hospital Fee Guideline). The hospital has requested reimbursement according to the stop-loss method contained in that rule. Rule 134.401(c)(6) establishes that the stop-loss method is to be used for "unusually costly services." The explanation that follows this paragraph indicates that in order to determine if "unusually costly services" were provided, the admission must not only exceed \$40,000 in total audited charges, but also involve "unusually extensive services."

After reviewing the documentation provided by both parties, it does appear that this particular admission involved "unusually extensive services." Accordingly, the stop-loss method does apply and the reimbursement is to be based on the stop-loss methodology.

The total length of stay for this admission was 13 days (consisting of 13 days for surgical). The insurance carrier concluded that this was a stop-loss inpatient hospitalization.

Total billed \$80,994.15

Total paid for implants \$10,317.65.

Other reductions per audit \$901.58

In determining the total audited charges, it must be noted that the insurance carrier has indicated some question regarding the charges for the implantables. The requestor billed \$27393.21 for the implantables. Based on a reimbursement of \$10,317.65, it appears that the

carrier found that the cost for the implantables was \$9,379.69 (reimbursed amount divided by 110%). This amount multiplied by the average mark-up of 200% results in an audited charge for implantables equal to \$18,759.38.

The audited charges for this admission, excluding implantables, equals \$53,600.94. This amount minus other reductions per audit = \$52,699.36. This amount plus the above calculated audited charges for the implantables equals \$71,458.74, the total audited charges. This amount multiplied by the stop-loss reimbursement factor (75%) results in a workers' compensation reimbursement amount equal to \$53,594.05. This amount less the PPO 10% discount = \$48,234.65.

The insurance carrier paid \$45,362.07 for inpatient hospitalization. The difference between amount paid and amount due = \$2872.58

Based on the facts of this situation, the parties' positions, and the application of the provisions of Rule 134.401(c), we find that the health care provider is entitled to a reimbursement amount for these services equal to \$2872.58.

#### PART VI: COMMISSION DECISION AND ORDER

Based upon the review of the disputed healthcare services, the Medical Review Division has determined that the requestor is entitled to additional reimbursement in the amount of \$2872.58. The Division hereby **ORDERS** the insurance carrier to remit this amount plus all accrued interest due at the time of payment to the Requestor within 20-days of receipt of this Order.

Findings and Decision by:

Authorized Signature

Elizabeth Pickle, RHIA

Typed Name

May 11, 2005

Date of Order

#### PART VII: YOUR RIGHT TO REQUEST A HEARING

Either party to this medical dispute may disagree with all or part of the Decision and has a right to request a hearing. A request for a hearing must be in writing and it must be received by the TWCC Chief Clerk of Proceedings/Appeals Clerk within 20 (twenty) days of your receipt of this decision (28 Texas Administrative Code § 148.3). This Decision was mailed to the health care provider and placed in the Austin Representatives box on \_\_\_\_\_. This Decision is deemed received by you five days after it was mailed and the first working day after the date the Decision was placed in the Austin Representative's box (28 Texas Administrative Code § 102.5(d)). A request for a hearing should be sent to: Chief Clerk of Proceedings/Appeals Clerk, P.O. Box 17787, Austin, Texas, 78744 or faxed to (512) 804-4011. A copy of this Decision should be attached to the request.

The party appealing the Division's Decision shall deliver a copy of their written request for a hearing to the opposing party involved in the dispute.

**Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.**

#### PART VIII: INSURANCE CARRIER DELIVERY CERTIFICATION

I hereby verify that I received a copy of this Decision in the Austin Representative's box.

Signature of Insurance Carrier: \_\_\_\_\_ Date: \_\_\_\_\_